

AMENDED IN ASSEMBLY MAY 31, 2011

AMENDED IN SENATE APRIL 7, 2011

SENATE BILL

No. 301

Introduced by Senator DeSaulnier

February 14, 2011

~~An act to amend Section 33420.1 of the Health and Safety Code, relating to housing and community development. An act to amend Section 7073.1 of the Government Code, relating to economic development.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 301, as amended, DeSaulnier. ~~Housing and community development; redevelopment; seismic retrofits. Enterprise zones; applications.~~

The Enterprise Zone Act provides for the designation of enterprise zones by the Department of Housing and Community Development, based on the department's approval of applications from a city, county, or city and county with a geographic area meeting certain criteria. The act, among other things, sets forth the application process.

This bill would provide that for applications submitted on or after January 1, 2012, if any portion of the proposed zone is within, or was previously within, the boundaries of a previously designated zone, or if any portions of the proposed zone are within, or previously were within, the boundaries of 2 or more previously designated enterprise zones, the proposed enterprise zone would be prohibited from exceeding a specified aggregate size.

~~The Community Redevelopment Law authorizes a redevelopment agency, for any project undertaken by the agency for building rehabilitation or alteration in construction, to take those actions within~~

a project area that it determines necessary, and that are consistent with local, state, and federal law, to provide for seismic retrofits, and requires those actions to meet the requirements of specified building codes, with respect to specified types of buildings.

This bill would revise those building code references.

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7073.1 of the Government Code is
2 amended to read:

3 7073.1. (a) ~~Except as provided in subdivision (e), any~~ Any
4 city, county, or city and county with an eligible area within its
5 jurisdiction may complete a preliminary application for designation
6 as an enterprise zone. The applying entity shall establish definitive
7 boundaries for the proposed enterprise zone and the targeted
8 employment area. An entity may propose zones in areas with
9 noncontiguous boundaries, and the department may designate those
10 areas as zones if the director determines both of the following:

11 (1) The noncontiguous area is needed to implement the
12 applicant's economic development strategy.

13 (2) The excluded area between the proposed zone boundaries
14 would not, based on the proposed economic strategy, also benefit
15 from the zone designation.

16 (b) (1) In designating enterprise zones, the department shall
17 select from the applications submitted those proposed enterprise
18 zones that, upon a comparison of all of the applications submitted,
19 indicate that they propose the most appropriate economic
20 development strategy and implementation plan utilizing state and
21 local programs and incentives to create jobs, attract private sector
22 investment, and improve the economic conditions within the zone
23 proposed. The department shall prescribe a format that promotes
24 succinct and focused strategies and plans, and set minimum
25 standards for the strategies and plans. For the purposes of this
26 subdivision, important elements of a strategy or plan may include,
27 but are not limited to, all of the following:

28 (A) An assessment of current financial and community
29 development strengths, needs, and opportunities.

30 (B) A framework for investment of time, action, and money.

1 (C) Clear articulation of goals.

2 (D) Measurable objectives, including targets.

3 (E) Proposed implementation activities and tasks, including
4 timeframes, and a framework for evaluating performance, including
5 qualitative and quantitative benchmarks.

6 (2) For purposes of this subdivision, local incentives may
7 include, but are not limited to, all of the following:

8 (A) The suspension or relaxation of locally originated or
9 modified building codes, zoning laws, general development plans,
10 or rent controls.

11 (B) The elimination or reduction of fees for applications,
12 permits, and local government services.

13 (C) The establishment of a streamlined permit process.

14 (D) Elimination or reduction of construction taxes or business
15 license taxes.

16 (E) The provision or expansion of infrastructure.

17 (F) The targeting of federal block grant moneys, including small
18 cities, education, and health and welfare block grants.

19 (G) The targeting of economic development grants and loan
20 moneys, including grant and loan moneys provided by the United
21 States Department of Housing and Urban Development.

22 (H) The targeting of state and federal job disadvantaged and
23 vocational education grant moneys, including moneys provided
24 by the federal Workforce Investment Act of 1998 (Public Law
25 105-220), or its successor.

26 (I) The targeting of federal or state transportation grant moneys.

27 (J) The targeting of federal or state low-income housing and
28 rental assistance moneys.

29 (K) The use of tax allocation bonds, special assessment bonds,
30 bonds under the Mello-Roos Community Facilities Act of 1982
31 (Chapter 2.5 (commencing with Section 53311) of Part 1 of
32 Division 2 of Title 5), industrial development bonds, revenue
33 bonds, private activity bonds, housing bonds, bonds issued pursuant
34 to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4
35 (commencing with Section 6584) of Chapter 5), certificates of
36 participation, hospital bonds, redevelopment bonds, school bonds,
37 and all special provisions provided for under federal tax law for
38 enterprise community or empowerment zone bonds.

39 (3) When designating new enterprise zones, the department
40 shall take into consideration the location of existing zones and

1 make every effort to locate new zones in a manner that will not
2 adversely affect any existing zones.

3 (4) When reviewing and ranking new enterprise zone
4 applications, the department shall give bonus points to applications
5 from jurisdictions that meet minimum threshold points and at least
6 two of the following criteria:

7 (A) The percentage of households within the census tracts of
8 the proposed enterprise zone area, the income of which is below
9 the poverty level, is at least 17.5 percent.

10 (B) The average unemployment rate for the census tracts of the
11 proposed enterprise zone area was not less than five percentage
12 points above the statewide average for the most recent calendar
13 year as determined by the Employment Development Department.

14 (C) The applicant jurisdiction has, and can document that it has,
15 a unique distress factor affecting long-term economic development,
16 including, but not limited to, resource depletion, plant closure,
17 industry recession, natural disaster, or military base closure.

18 (5) Except as modified pursuant to paragraph (4), applications
19 shall be ranked by the appropriateness of the economic
20 development strategy and implementation plan, including all of
21 the following:

22 (A) The extent the strategy clearly identifies the local resources,
23 incentives, and programs that will be made available to the zone
24 for meeting its goals and objectives.

25 (B) The extent the strategy provides for attracting private sector
26 investment.

27 (C) The extent the strategy includes related regional and
28 community-based partnerships for achieving the goals and
29 objectives in the strategy.

30 (D) The extent the strategy fits within the jurisdiction's overall
31 economic development strategy, including the extent the strategy
32 and implementation plan is appropriate for the local community.

33 (E) The extent the strategy addresses the hiring and retention
34 of unemployed or underemployed residents or low-income
35 individuals in the proposed zone and surrounding areas.

36 (F) The extent the strategy sets reasonable and measurable
37 benchmarks, goals, and objectives.

38 (G) The extent the strategy sets forth an appropriate funding
39 schedule for management, oversight, and program delivery within

1 the zone relative to the benchmarks, goals, and objectives in the
2 strategy.

3 (H) The extent that the economic development strategy has a
4 comprehensive incentive package for attracting private investment
5 to the enterprise zone.

6 *(c) For applications for enterprise zone designation submitted*
7 *on or after January 1, 2012, both of the following shall apply:*

8 *(1) If any portion of the proposed zone is within, or previously*
9 *was within, the boundaries of a previously designated enterprise*
10 *zone, then the aggregate size of the proposed enterprise zone shall*
11 *not exceed the size of the previously designated enterprise zone*
12 *by more than 15 percent.*

13 *(2) If any portions of the proposed zone are within, or previously*
14 *were within, the boundaries of two or more previously designated*
15 *enterprise zones, the aggregate size of the proposed enterprise*
16 *zone shall not exceed the size of the largest single previously*
17 *designated enterprise zone by more than 15 percent.*

18 ~~(e)~~

19 *(d) In evaluating applications for designation, the department*
20 *shall ensure that applications are not disqualified solely because*
21 *of technical deficiencies, and shall provide applicants with an*
22 *opportunity to correct the deficiencies. Applications shall be*
23 *disqualified if the deficiencies are not corrected within two weeks.*

24 ~~(d)~~

25 *(e) Except upon dedesignation pursuant to subdivision (c) of*
26 *Section 7076.1, Section 7076.2, or Section 7085.1, a designation*
27 *made by the department shall be binding for a period of 15 years*
28 *from the date of the original designation.*

29 ~~(e)~~

30 *(f) This section shall—only apply only to enterprise zone*
31 *applications for which the department has issued a solicitation for*
32 *new enterprise zone designations on or after January 1, 2007.*

33 ~~SECTION 1. Section 33420.1 of the Health and Safety Code~~
34 ~~is amended to read:~~

35 ~~33420.1. (a) Within a project area, for any project undertaken~~
36 ~~by an agency for building rehabilitation or alteration in~~
37 ~~construction, an agency may take those actions that the agency~~
38 ~~determines necessary and that are consistent with local, state, and~~
39 ~~federal law, to provide for seismic retrofits as follows:~~

1 ~~(1) For unreinforced masonry buildings, to meet the~~
2 ~~requirements of Appendix Chapter A1 of the current California~~
3 ~~Existing Building Code.~~

4 ~~(2) For any buildings that qualify as “historical property” under~~
5 ~~Section 37602, to meet the requirements of the State Historical~~
6 ~~Building Code (Part 2.7 (commencing with Section 18950) of~~
7 ~~Division 13) and the current California Historical Building Code.~~

8 ~~(3) For buildings other than unreinforced masonry buildings~~
9 ~~and historical properties, for structures subject to the California~~
10 ~~Building Standards Code (Title 24 of the California Code of~~
11 ~~Regulations), to comply with the provisions of that code, and for~~
12 ~~all other structures, to meet the requirements of the current~~
13 ~~International Existing Building Code, as applicable.~~

14 ~~(b) If an agency undertakes seismic retrofits and proposes to~~
15 ~~add new territory to the project area, to increase either the limitation~~
16 ~~on the number of dollars to be allocated to the redevelopment~~
17 ~~agency or the time limit on the establishing of loans, advances,~~
18 ~~and indebtedness established pursuant to paragraphs (1) and (2)~~
19 ~~of Section 33333.2, to lengthen the period during which the~~
20 ~~redevelopment plan is effective, to merge project areas, or to add~~
21 ~~significant additional capital improvement projects, as determined~~
22 ~~by the agency, the agency shall amend its redevelopment plan and~~
23 ~~follow the same procedure, and the legislative body is subject to~~
24 ~~the same restrictions, as provided for in Article 4 (commencing~~
25 ~~with Section 33330) for the adoption of a plan.~~